

# **EXHIBIT 7**

# VISA INC.

## FORM 10-K (Annual Report)

Filed 11/21/14 for the Period Ending 09/30/14

Address	P.O. BOX 8999 SAN FRANCISCO, CA 94128-8999
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
**FORM 10-K**

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended September 30, 2014  
OR  
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-33977

**VISA INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**26-0267673**  
(IRS Employer  
Identification No.)

**P.O. Box 8999**  
**San Francisco, California**  
(Address of principal executive offices)

**94128-8999**  
(Zip Code)

**(650) 432-3200**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

**Class A common stock, par value \$0.0001 per share**  
(Title of each Class)

**New York Stock Exchange**  
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

**Class B common stock, par value \$0.0001 per share**  
**Class C common stock, par value \$0.0001 per share**  
(Title of each Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒  
No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐  
No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒  
No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See the definitions of "large accelerated filer" "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐  
No ☒

The aggregate market value of the registrant's class A common stock, par value \$0.0001 per share, held by non-affiliates (using the New York Stock Exchange closing price as of March 31, 2014, the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$107.6 billion. There is currently no established public trading market for the registrant's class B common stock, par value \$0.0001 per share, or the registrant's class C common stock, par value \$0.0001 per share.

As of November 14, 2014, there were 493,201,965 shares outstanding of the registrant's class A common stock, par value \$0.0001 per share, 245,513,385 shares outstanding of the registrant's class B common stock, par value \$0.0001 per share, and 23,876,238 shares outstanding of the registrant's class C common stock, par value \$0.0001 per share.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant's Proxy Statement for the 2014 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the Registrant's fiscal year ended September 30, 2014.

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Unless the context indicates otherwise, reference to "Visa," "Company," "we," "us" or "our" refers to Visa Inc. and its subsidiaries.

"Visa" and our other trademarks referenced in this report are Visa's property. This report may contain additional trade names and trademarks of other companies. The use or display of other companies' trade names or trademarks does not imply our endorsement or sponsorship of, or a relationship with these companies.

## Forward-Looking Statements:

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as "believes," "estimates," "expects," "intends," "may," "projects," "could," "should," "will," "will continue" and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make about our revenue, client incentives, operating margin, tax rate, earnings per share, free cash flow, and the growth of those items.

By their nature, forward-looking statements: (i) speak only as of the date they are made; (ii) are not statements of historical fact or guarantees of future performance; and (iii) are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from our forward-looking statements due to a variety of factors, including the following:

- the impact of laws, regulations and marketplace barriers, including:
  - rules capping debit interchange reimbursement rates and expanding financial institutions' and merchants' choices among debit payments networks promulgated under the Dodd-Frank Wall Street Reform and Consumer Protection Act;
  - increased regulation in jurisdictions outside of the United States and in other product categories;
  - increased government support of national payments networks outside the United States; and
  - increased regulation on consumer privacy, data use and security;
- developments in litigation and government enforcement, including those affecting interchange reimbursement fees, antitrust and tax;
- new lawsuits, investigations or proceedings, or changes to our potential exposure in connection with pending lawsuits, investigations or proceedings;
- economic factors, such as:
  - economic fragility in the Eurozone and the United States;
  - general economic, political and social conditions in mature and emerging markets globally;
  - general stock market fluctuations which may impact consumer spending;
  - material changes in cross-border activity, foreign exchange controls and fluctuations in currency exchange rates; and
  - material changes in our financial institution clients' performance compared to our estimates;
- industry developments, such as competitive pressure, rapid technological developments and disintermediation from our payments network;
- system developments, such as:
  - disruption of our transaction processing systems or the inability to process transactions efficiently;
  - account data breaches or increased fraudulent or other illegal activities involving Visa-branded cards or payment products; and
  - failure to maintain systems interoperability with Visa Europe;
- costs arising if Visa Europe were to exercise its right to require us to acquire all of its outstanding stock;
- the loss of organizational effectiveness or key employees;
- the failure to integrate acquisitions successfully or to effectively develop new products and businesses;
- natural disasters, terrorist attacks, military or political conflicts, and public health emergencies; and

various other factors discussed throughout this report, including but not limited to, *Item 1—Business*, *Item 1A—Risk Factors* and *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations*. You should not place undue reliance on such statements. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future developments or otherwise.

**PART I****ITEM 1. Business****General Business Developments**

Visa Inc., which we refer to as Visa or the Company, is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We operate one of the world's most advanced processing networks — VisaNet — which facilitates authorization, clearing and settlement of payment transactions worldwide. It also offers fraud protection for account holders and rapid payment for merchants. Visa is not a bank and does not issue cards, extend credit or set rates and fees for account holders on Visa-branded cards and payment products. In most cases, account holder and merchant relationships belong to, and are managed by, our financial institution clients.

Visa Inc. was incorporated in the State of Delaware in May 2007. In October 2007, we undertook a reorganization in which Visa U.S.A. Inc., Visa International Service Association, Visa Canada Corporation and Inovant LLC became direct or indirect subsidiaries of Visa Inc. Visa Europe Limited remains owned and governed by its European member financial institutions and is not a subsidiary of Visa Inc. Visa Inc. completed its initial public offering ("IPO") in March 2008.

Since fiscal 2010, we have completed several acquisitions to accelerate the growth of Visa's digital, eCommerce and mobile commerce offerings. These include: CyberSource Corporation, a leading provider of electronic payment, risk management and payment security solutions to online merchants; PlaySpan Inc., a leading provider of digital goods transactions in online games, digital media and social networks; and Fundamo, a leading provider of mobile financial services for mobile network operators and financial institutions in developing economies.

General business developments in fiscal 2014 included the following:

- *Product innovation*. Visa's fundamental approach to innovation focuses on: (i) supporting an evolving payments ecosystem; (ii) enhancing Visa's network security through innovation; and (iii) developing new platforms, products and services.
  - i. Evolving payments ecosystem. By providing new and existing financial institution clients and partners greater access to Visa's network and payment capabilities, Visa is contributing to the evolving payments ecosystem. In 2014, Visa announced a developer center, which will enable software developers, financial institutions and new entrants to more easily access Visa payment capabilities through programing interfaces and software developer kits beginning in 2015. We also launched the Visa Ready program to enable our partners to quickly deploy Visa-compliant devices, software and services to consumers, thereby significantly accelerating the pace of innovation in payments. Finally, we established an innovation center at our San Francisco Bay Area headquarters to facilitate collaboration among Visa, our financial institution clients, other partners and the Bay Area technology community to develop the next generation of global commerce solutions.
  - ii. Network security through innovation. In 2014, Visa made strides to enhance its network security by implementing the following programs:
    - a. *Visa Token Service*: Visa Token Service replaces account numbers with digital tokens for online and mobile payments. This benefits merchants and issuers by removing sensitive account information from online and mobile payments and significantly reduces fraud risk.
    - b. *EMV-chip payment technology*: Visa is addressing fraud at the physical point-of-sale by working with merchants and issuers in the United States to introduce EMV-chip payment technology.
    - c. *Fraud and data analytics*: As an industry leader in payment security, we enhanced our real-time data analytics capabilities. When combined with Visa's centralized network structure, these capabilities allow financial institution clients and merchants to identify and address fraud.

**Account data breaches involving card or other data processed, stored or transmitted by third parties or by us could adversely affect our reputation and revenues .**

Our clients, merchants, other service providers and we process, store or transmit account holder information in connection with Visa-branded cards and payment products. In addition, our clients may use third-party processors to process transactions generated by cards carrying our brands. Breach of the systems processing, storing or transmission of sensitive account holder data and other information could lead to fraudulent activity involving Visa-branded cards, reputational damage and claims against us. A breach may subject Visa to governmental or regulatory investigations, which could result in fines or enforcement actions against the company. If we are sued in any lawsuit in connection with any material data security breach, we could be involved in protracted litigation. If unsuccessful in defending such lawsuits, we may have to pay damages or change our business practices or pricing structure, any of which could have a material adverse effect on our revenues and profitability. In addition, any reputational damage resulting from an account data breach at one or more of our clients, merchants or other third parties could decrease the use and acceptance of Visa-branded cards, which could have a material adverse impact on our payments volume, revenues and future growth prospects. Finally, any data security breach could result in additional regulation, which could materially increase our compliance costs.

**An increase in fraudulent or other illegal activity involving Visa-branded cards or payment products could lead to reputational damage to our brands and reduce the use and acceptance of Visa-branded cards or payment products .**

Criminals are using increasingly sophisticated methods to capture account holder information. They use this information to conduct fraudulent transactions and to engage in other forms of illegal activities involving our payment products. Outsourcing and specialization of functions within the payments system are increasing. As a result, more third parties are involved in processing transactions using Visa-branded cards or payment products. A rise in fraud levels and other illegal activities involving Visa-branded cards or payment products could lead to reputational damage to our brands. This could reduce the use and acceptance of Visa-branded cards and payment products, or lead to greater regulation, which could increase our compliance costs and materially and adversely affect our payments volume and revenues.

**Failure to maintain interoperability with Visa Europe's systems could damage the business and global perception of the Visa brands .**

Visa and Visa Europe maintain mostly separate authorization, clearing and settlement systems. As a result, we have to ensure that the two systems can process every transaction involving both of our territories, regardless of where it originates. Visa Europe's independent system operations could present challenges to our business due to increasing costs and difficulty in maintaining the interoperability of our respective systems. Any inconsistency in the payment processing services and products between Visa Europe and us could negatively affect account holders from Visa Europe using payment products in the countries we serve or our account holders using payment products in Visa Europe's region. Failure to authorize, clear and settle inter-territory transactions quickly and accurately could harm our business and impair the global perception of our brands.

***Structural and Organizational Risks***

**Due to the nature of our relationship and the terms we have agreed to with Visa Europe, we have little ability to control its operations in its region, and as a result, we may experience added costs and challenges in operating our business .**

Visa Europe's exclusive license of our trademarks and technologies under the Framework Agreement gives us little ability to control and oversee Visa Europe's operations in its region. If we want to change a global rule or to implement certain changes that may be viewed as unfavorable to Visa Europe and its members, Visa Europe is not required to implement the changes unless we agree to pay for the associated implementation costs. This may result in added costs and expenses to our business. Furthermore, the licenses granted under the Framework Agreement may raise licensing, payment and associated tax treatment concerns.

Visa Europe may hinder our ability to acquire new businesses or to operate them effectively in its region. If the acquired business has operations in Visa Europe's region, Visa Europe may play a significant part in influencing our ongoing operational decisions and costs there. Finally, Visa Europe may undertake operational and litigation strategies, including, but not limited to, our ongoing litigation in the U.K. and our ongoing case with the European Commission, that may adversely impact our business and reputation globally.